

Meeting Minutes
Triumph Gulf Coast, Inc.
Escambia County Commission Chambers
Ernie Lee Magaha Building, 1st Floor
221 Palafox Street
Pensacola, Florida 32504
October 15, 2024 10:30 a.m. CT

Members Present:

David Bear, Chair - Excused
Bryan Corr, Sr.
Reynolds Henderson, Treasurer
David Humphreys
Collier Merrill
Jay Trumbull, Sr., Vice-Chair
Leslie Weiss – by phone

Call to Order & Welcome Roll Call

Prior to beginning official business, Vice-Chair Jay Trumbull, Sr. asked Mr. Collier Merrill to introduce a few meeting attendees from Pensacola.

Mr. Merrill welcomed everyone to Pensacola and thanked the following local leaders for their attendance at the meeting: Mayor D.C. Reeves – City of Pensacola; Jayer Williamson, Former Member of the Florida House of Representatives; and Mike Burns, Executive Director of Santa Rosa Island Authority.

In the excused absence of Chair David Bear, Vice-Chair Jay Trumbull, Sr. called the meeting to order at 10:30 AM, CT. Ms. Susan Skelton, Executive Director, called roll and announced the presence of a quorum.

The first item on the agenda was review and approval of the August 22nd Board meeting minutes. Vice-Chair Trumbull asked if everyone had an opportunity to review the minutes. Ms. Skelton mentioned that there was a scrivener's error in the meeting minutes, as Mr. Merrill was listed as Vice-Chair instead of Mr. Trumbull. Upon approval of the motion, Ms. Skelton stated that the minutes would be corrected to reflect Mr. Trumbull's role as Vice-Chair.

On a motion by Mr. Collier Merrill and seconded by Mrs. Leslie Weiss, the August 22, 2024, Meeting Minutes were approved without objection.

Mr. Trumbull then invited Mayor D.C. Reeves to speak on behalf of the City of Pensacola. Mayor Reeves thanked the Triumph Board for coming to Pensacola today, and for all the work they do to build up the Northwest Florida region and help catalyze amazing projects. He noted that the value and transformation Triumph brings to the region cannot be overstated. Mayor Reeves then provided an update on several projects happening in Pensacola.

Mayor Reeves thanked the Board for its support and funding for the transformational American Magic project and emphasized that everyone is excited to plant the flag here, naming Pensacola

as the Sailing Capital of America. He stated that with Triumph's help, not only will this project create 170 new high-wage jobs and innovation in advanced manufacturing sectors, but it has already brought international attention to Pensacola as that new sailing capital of the United States. It has opened the door to associated industries located here and it has created an opportunity for a workforce program unlike any other, and the Board will hear about more today, The WAVE program at the University of West Florida. Mayor Reeves mentioned that both the City and the Port of Pensacola are in very strong support of this project.

Reeves stated that repairs are currently underway at Warehouse 10, the future home of American Magic, and design is nearing completion. They have worked across time zones, oceans, and training schedules as the team has been competing in Barcelona to construct a world-class facility. Now that the team is returning home from Barcelona, they will have additional bandwidth to make everything happen, and the City is very excited about this project. Mayor Reeves took a moment to express his gratitude for two important appointments he recently received at the state and national levels. He has been named to the Career Source Florida Board as the Mayor Designee, and he has been named Chair for the Jobs and Workforce Committee for the U.S. Conference of Mayors. He looks forward to learning as much as he can from these opportunities so that he may be prepared to assist with Triumph projects throughout the region in any way that may be helpful.

Mayor Reeves provided an update on some of the efforts that Pensacola is making in the workforce development area. Again, he mentioned the City's support of the UWF WAVE program at the Port of Pensacola and that they are in exploratory conversations with the state as it pertains to American Magic and the Port, as well as advances with ST Engineering. Reeves stated that the City of Pensacola has been meeting with ST regularly for the last couple of months to really ensure a holistic community effort both on the side of the region and on the side of ST.

Mayor Reeves mentioned that the City has also been working to support Pensacola State College's (PSC) A&P mechanic school project and thanked the Triumph Board for its support of the 50-year lease at the Pensacola Airport. His team at the City is finalizing everything with PSC now and he believes that having the students learning next to the airport hangars and next to this transformational project will only make the school that much more valuable. He also mentioned that the City is starting the process of convening an aviation task force for the community to help aid the efforts of not only ST Engineering but all aviation around the region. They are looking to bolster aviation programs both at the high school and middle school levels, and the Mayor's intent is to ask the Escambia Children's Trust to start integrating some of these aviation programs in Escambia middle schools with some of their dollars.

With respect to ST Engineering, the City has asked for additional clarity within their regular meetings and ST has been more than amicable to provide it. They are all invested in making sure that ST is successful and making sure that there is no ambiguity, so they have asked ST to step up in a few different ways, which they have done. First, their priority is to ensure that wages stay competitive. Second, they want to ensure that Pensacolians are prioritized in getting hired. The City is going to have a third party look at how ST is doing their hiring to see if there is something the community can do that to help bolster those efforts. Finally, there are some additional reporting mechanisms the City has requested to make sure they can go out and confirm job counts and ensure wages are competitive.

Mayor Reeves then invited Bill Hafner, Chief Integration Officer at ST Engineering, to speak.

Mr. Hafner thanked the Mayor and the Triumph Board for the opportunity to speak. Mr. Hafner reported that, right now, ST Engineering has a great book of business in Pensacola. It is strong with long-term agreements with their principal customers for future work. Currently they are servicing the United Parcel Service and United Airlines at the facility in Hangars 1 and 2, and they include the Boeing 757 and the Airbus A300 product lines. Hangars 1 and 2 are near capacity, based on a single shift operation. Their job growth is tracking close to schedule, and with over 400 employees, they are still hiring.

On the topic of workforce development, ST has partnered with Pensacola State College, and they have an MOU with them. They have worked via a joint consultancy with PSC staff and the FAA to achieve certification of a Part 147 A&P program. Hafner explained that they have licensed a portion of Hangar 1 at no cost to Pensacola State College, so they could facilitate the start-up of the training center as soon as possible, and they have invested in the necessary facility modifications to permit the school to begin. He noted that the first class is estimated to begin in January. Additionally, the design of the much larger and permanent school is underway and will be situated near Hangar 3 across the field. Hafner echoed the Mayor's sentiment that it is very important to have the school situated at the airport. He noted that it is a unique situation to have a school that is adjacent to a very large commercial MRO, and it is great for students and collegiate enrollment. In closing, Hafner stated that he is delighted with their progress and believes the development will help meet both the VT Mobile Aerospace Engineering, Inc. (VTMAE) objectives and the needs of the community at large. He thanked the Triumph Board for the support of the project and assured them it will be money well spent.

Mr. Hafner provided a quick update on Project Titan and stated that Hangar 2 is up and operational and Element 2 is at 95% design. The notice to proceed with construction has been issued by the City, and they held a pre-construction meeting with Roy Anderson, the general contractor, on the 10th of October. The site has been roughed, cleared, and graded, and the construction offices have been mobilized, so they are positioned on site now, and construction is officially underway. They hope to have foundations in place by January and expect they might see some structural steel erection around March of next year. The project is estimated to be completed sometime in the late third quarter of 2026, a little beyond their desired window. Hangar 4 is in the design criteria package development phase, so the designers have put the DCP out, and they, as tenants, have reviewed it and made comments. Now they await the designer's response. There are some budget challenges as they complete the project, and the building has been somewhat downsized from the original design. Once they complete the project design, the City will be going to market for bids. Mr. Hafner thanked the Triumph Board and offered to take any questions.

Mayor Reeves added a couple of final updates for the Board's information. He noted that he understands how much thought goes into the economic development projects funded and supported by Triumph. He also stated that there is a City obligation outside of the Triumph projects themselves and it is about building vibrancy and building a community where people want to live. He mentioned that the City has been very creative and opportunistic as it pertains to housing. Mayor Reeves noted that there is a housing crisis across the country, and that working to resolve it is the number one issue he will work on with the U.S. Conference of Mayors. In the City of Pensacola, they are working diligently on this issue at the legacy campus of Baptist Hospital, where they have purchased an old hotel site, they are turning into 82 units for a veterans transitional housing project.

The City of Pensacola is working on streetscape projects, whether it be for the Westgate coming over from the military base, or the \$5 million Palafox Street project that is about to get

underway, or the hashtag project, which encompasses the north-south and east-west of Pensacola's downtown. These multi-million-dollar projects will work to enhance beauty and increase safety and ease for pedestrians and cyclists, and all those projects are at full steam right now. Finally, Mayor Reeves noted that the City of Pensacola has integrated their Community Redevelopment Agency (CRA) under their Economic Development Office, and he concluded by thanking the Triumph Board for their time and asking if there were any questions. Although there were no questions, Mr. Merrill commented on the great job Mayor Reeves is doing in Pensacola and Mr. Trumbull echoed his sentiments and stated that Pensacola is a model city for Panama City where he lives.

Treasurer's Report

Mrs. Jennifer Davidson, CPA, presented the August 31, 2024 financial statements. The Statement of Financial Position shows \$634.7 million in total assets. Interest earned in the month of August was about \$2.9 million. For the month ended August 31, 2024 Triumph distributed \$825,000, administrative costs were \$88,000, and the budget to actual comparison for the month of August shows Triumph Gulf Coast was under budget for administrative costs by about \$7,660. **Mr. Reynolds Henderson made a motion to approve the August Financial Report as presented. The motion was seconded by Mrs. Weiss and approved without objection.**

Next, Mrs. Davidson presented the September 30, 2024 financial statements. The Statement of Financial Position shows \$631 million in total assets. Interest earned in the month of September was about \$2.7 million. For the month ended September 30, 2024 Triumph distributed \$5.9 million, and the budget to actual comparison for the month of September shows Triumph under budget for administrative costs by about \$20,000. For nine months ended September 30, 2024, interest income was about \$16 million, funds distributed were \$53.8 million, and Triumph was under budget by about \$92,000. **Mr. Henderson made a motion to approve the September Financial Report as presented. The motion was seconded by Mr. Merrill and approved without objection.**

Staff Report

Ms. Skelton reported that the Legislature will hold its organizational session two weeks after Election Day in Tallahassee and that this session is generally ceremonial. Staff has not heard anything about whether they will add hurricane issues to that session, but we anticipate that any such issues will be taken up during the Regular Session. Committee meetings will start in December and Session begins in March.

The Auditor General team is wrapping up their fieldwork and staff expects any final questions or requests for information from them shortly.

Ms. Skelton reminded the Board of the discussion at their previous Board meeting regarding compliance staffing costs. As more assistance is needed, she requested that the Board move ahead with the hiring of one Grant Compliance Specialist, with the authorization to hire a second one as needed. She noted that staff would not hire the second one until they cap out with the first one. The position would not exceed \$30.00/hr and would not exceed 100 hours per month. She stated that if the Board approves this request today, it will become a component of a restructuring that staff will be looking at during annual performance reviews.

Mr. Merrill asked Ms. Skelton if staff felt like they needed to bring this question back to the Board for review as it was his understanding from the last meeting that they decided to give the discretion to Chair Bear and staff to make that hire.

Ms. Skelton replied that yes, it would be helpful to bring this back to the Board for consideration and approval so that the CPA would have the hiring information on the record in terms of hourly rate and the number of hours per month. Mr. Merrill responded that he completely understood – he just didn't want the Board to be responsible for holding up the hiring process or cause undue strain on staff.

Mr. Reynolds Henderson asked if staff might provide the Board with information to help them better understand Triumph's current and future needs for these types of hires. Mrs. Davidson replied that as more grants are approved, while others have not yet closed out, the amount of review that is necessary is multiplying and requires additional staffing for compliance. Mr. Henderson asked if she might provide an example of metrics to help the Board understand at what point they will need to hire someone. Mrs. Davidson replied that it is a difficult question to answer because every grant looks different, so a \$3 million grant might have one invoice, whereas another \$3 million grant might have 3,000 invoices. Construction grants are usually less heavy on invoices, and education grants are typically heavier. The number of invoices for review fluctuates not so much depending on specifically what dollar amount the grant is but depending more on what type it is. Mrs. Davidson mentioned that she pulled the relative information for the last six months that the Board briefly discussed at the last meeting, and she will provide them with that information in more detail, as well as run it again for the last six months of the year, so they can see how that fluctuates.

Ms. Cori Henderson, Program Administrator, noted that the other significant increase they are going to see in reviews is related to the R&D projects. Triumph is bringing on more R&D projects, and over time they are 3:1 - whatever the grant is, assume that the match is three times that. So, it is significant and those are going to increase over time versus decrease, because as grantees win an external match grant for which they are spending - that spend is in the out years. So, the compliance on the match is going to grow in the out years versus decline as some of the current projects close. They have hit that point where they are about to go up and keep going up for the match, because as a Board they discussed staying at 100% of the validation for the matching funds and that's what's causing that big balloon effect in the compliance review as well.

Ms. Skelton reminded the Board of their recent decision to stay at 100% of compliance rate, and what is happening now is we need to be careful that we don't exceed the cap on accounting contracts with Tipton Marler. Placing these functions in house is a way to help alleviate some of the concern. Hiring a contract position in house would prevent having to negotiate with and hire additional accounting firms. **Mr. Collier Merrill made a motion to approve the hire of a Grant Compliance Specialist with the authority to hire a second specialist if needed at a rate not to exceed \$30/hr and not to exceed 100 hours/mo, and Mr. Bryan Corr seconded the motion. Motion passed without objection.**

Ms. Skelton took a moment to recognize two of Triumph's contract workers that were present at the meeting: Cecily Kopytchak, Administrative Assistant, who helps with Triumph's meeting minutes and press releases, and is a great writer, and Juliet Milam, Education Compliance Program Manager, who diligently works alongside Dr. Fuller on all of Triumph's education grants.

Ms. Skelton announced that it is time for the Performance Review Committee annual meeting. She noted that Chair Bear intended to make appointments to that committee today at the meeting, but they will do that by e-mail after the meeting. Ms. Skelton mentioned that they also may need to schedule a separate meeting to address the topic of reorganization of staff they want to accomplish since there is a lot to discuss.

Legal Report

Mr. Scott Remington, Legal Counsel, introduced **Proposed Grant Award Agreement for Proposal #332 – Escambia County Public Schools – J.M. Tate High School CTE – up to \$617,227** to renovate and equip the former Auto Body building at Tate High School that will provide classrooms, hands-on labs, and training locations for the Automotive Service Academy that will deliver at least 225 net new industry-recognized Florida Department of Education-approved National Institute for Automotive Service Excellence (ASE) credentials. The grant award agreement is consistent in all other respects with the standard Triumph Agreement and includes a clawback in the event the grant award recipient is unable to deliver the 225 certificates. Staff recommends the Board approve the grant award agreement.

Vice-Chair Trumbull then invited Mr. Steven T. Harrell, Workforce Education Director at Escambia County Public Schools, to speak. Mr. Harrell thanked the Board and expressed his excitement that they have gotten to this point. The School Board will be meeting this evening to sign off on this project, and they expect students to be enrolled by next August.

Mr. Henderson made a motion to approve the Proposed Grant Award Agreement and Mrs. Weiss seconded the motion.

Vice-Chair Trumbull asked if anyone from the public wished to be heard on the proposal. No one came forward to speak. **The motion passed unanimously on roll call vote (6-0.)**

Mr. Remington then introduced **Proposed Grant Award Agreement for Proposal #333 – Franklin County Board of County Commissioners – First Response Communications System (Phase 1) – up to \$750,000** to provide partial funding for the contract engagement of a consultant to advise Grantee on the purchase of a new first responder communication system for the use by the Franklin County EMS and Fire, Franklin County Sheriff's Office, Franklin County Road Department, Franklin County School District, Weems Hospital, Carrabelle Police Department, and the City of Apalachicola Police Department. The grant award agreement is consistent will all items in the term sheet and staff recommends approval.

Vice-Chair Trumbull then invited Ms. Erin Griffith, Fiscal Manager / Grants Coordinator at Franklin County Board of County Commissioners, to speak. Ms. Griffith expressed her appreciation on behalf of Franklin County and stated that they are excited for the project to commence, and they expect to have the project completed sometime in the next fiscal year.

Mr. Corr asked whether she could describe the scope of the consultant's work. Ms. Griffith explained that the consultant will design and implement the system for them as they do not have the technical knowledge necessary to develop a system of that size, but it will be very similar to that of Wakulla County's system.

Mr. Henderson made a motion to approve the Proposed Grant Award Agreement and Mr. Merrill seconded the motion. Vice-Chair Trumbull asked if anyone from the public wished to

be heard on the proposal. No one came forward to speak. **The motion passed unanimously on roll call vote (6-0.)**

Mr. Remington then introduced **Proposed Second Amendment to Grant Award Agreement #157 – Franklin County School District – Environmental Center and Technical Training – NO ADDITIONAL FUNDS – deadline date change, update audit requirement language.** The amendment would extend the project deadline to have a completion date of December 31st, 2025 and includes updated audit template language. Staff recommends approval.

Mr. Trumbull then invited Mr. David Hughes, CTE Director at Franklin County School District, to speak if he wished. Mr. Hughes did not have comments and there were no questions from the Board.

Mr. Merrill made a motion to approve the Proposed Second Amendment to Grant Award Agreement and Mr. Henderson seconded the motion. Vice-Chair Trumbull asked if anyone from the public wished to be heard on the proposal. No one came forward to speak. **The motion passed unanimously on roll call vote (6-0.)**

Mr. Remington then introduced the next item on the agenda - **Proposed Fourth Amendment to Grant Award Agreement #187 – Northwest Florida State College – Walton Works Training Center of Excellence – NO ADDITIONAL FUNDS – deadline date change, update audit requirement language.** This amendment would extend the budget to coincide with the grant expiration of 12/31/25, realign budget funds between categories – reimbursement and match, and includes the addition of audit language.

Vice-Chair Trumbull then invited Mr. Kevin Brown, Associate Vice President for Government Relations and Special Projects at Northwest Florida State College, to speak. Mr. Brown thanked the Board for their support of this project over the years and stated that his team looks forward to its completion.

Mr. Henderson made a motion to approve the Proposed Fourth Amendment to Grant Award Agreement and Mr. Merrill seconded the motion. Vice-Chair Trumbull asked if anyone from the public wished to be heard on the proposal. No one came forward to speak. **The motion passed unanimously on roll call vote (6-0.)**

Mr. Remington introduced the next item on the agenda - **Proposed Fourth Amendment to Grant Award Agreement #233 – IHMC Center for Human Healthspan - \$857,405 request for compliance reporting cost assistance.** If approved, the amount of the Grant as defined in Section 2 of the Agreement would be increased by \$857,405 from \$19,866,356, to a total Grant amount of up to \$20,723,761. Based on negotiations with IHMC, staff recommended adoption of this amendment.

Mr. Remington then invited Ryan Tilley, Director of Strategic Program Execution and Innovation at IHMC, to answer questions.

Mr. Humphreys asked to understand the nature of the compliance work IHMC would need to perform that would require \$857,000 of additional staffing cost. Mr. Tilley stated that the \$857,000 would be disbursed over the course of 10 years and the compliance requirements, as staff have pointed out, include documentation of every penny that comes in from Triumph as well as every match dollar that comes in, so they are looking at compliance on thousands and thousands of pages of documentation - over \$110 million, which all accumulates in multiple

ways – via AMEX payments, ACH transfers, checks, etc. So that confirming the matching components is basically the bulk of it.

Mr. Humphreys inquired as to how IHMC came up with the \$857k number for compliance costs. Mr. Tilley explained that the \$857k is approximately 75% of their projected time right now across the 10-year cycle. In looking at different labor rates from the Association for Independent Research Institutes, as a model, they selected a blend between a bookkeeper and compliance support role, which equates to about \$52,000/yr. So, with the fully loaded rate factored in it comes out to the \$857k over 10 years. IHMC will come back to Triumph with a new proposal which will be totally separate from the existing project #233. The combination of those two will pick up the other 25%. Mr. Tilley also explained that there is a 5% cost of living adjustment included, year-over-year. Additionally, he emphasized that this is a “not to exceed” rate, so if IHMC does not need to use that staff at 75% or 100% in the future, they will not be requesting that amount.

Mr. Humphreys also wondered if the numbers presented are indeed accurate, are the compliance standards so burdensome that they require full-time support over the course of 10 years for these projects or was none of this work accounted for in the original numbers. Mr. Tilley affirmed that none of the compliance costs were accounted for in the original numbers, and replied that the short answer is, yes, the compliance burden is significant. IHMC would likely have to divert research dollars from their existing Triumph grant to support this role, which would lessen the impact of the Triumph dollars granted. He again reminded the Board that this request is a “not to exceed” request, so if they do not need it, they will not request it. He indicated that early on in this process, at least from IHMC’s standpoint, the project was still evolving, and the interaction with Triumph was still evolving, so they did not recognize some of these compliance requirement related needs in the beginning.

Mr. Humphreys asked if there is additional compliance now required that was not required when the grant was initially awarded. Mr. Tilley responded that the requirements are still evolving and changing depending on the type of projects IHMC receives. For example, in working with the DoD, there is a lot of different compliance on that side, and while it does not really impact Triumph directly, it all comes into play as there are different types of funding vehicles and different types of funding coming in from DoD, so it is a complex situation.

Mr. Humphreys stated that he feels it is still a huge ask for compliance. Mr. Tilley stated that he believes that based on a \$25.00/hr position growing overtime, he does not think the compliance to get to \$110 million is going to go away. There are limited efficiencies there. As IHMC adds a new project, it is only going to get more complex and they don't have a big chunk of construction, as staff pointed out earlier, but there are a lot of different charges going on all the time where people are constantly using AMEX to buy their supplies and that in and of itself produces hundreds and hundreds of pages to pull together from different platforms to submit to Triumph, so it is a big lift. Mr. Humphreys inquired as to whether the compliance aspect was not anticipated prior to this amendment, and Mr. Tilley responded that it was not anticipated at this level.

Mr. Henderson expressed concern that the Board would be setting a precedent and potentially “opening the floodgates” for other grantees to ask for the same things. He is fine with that if that is the way the Board wants to go, but he feels it is a big ask and kind of gets away from the bricks and mortar type stuff the Board wanted to push, so he would caution against it.

Mr. Corr asked whether IHMC has similar compliance work to do for their match providers, and Mr. Tilley noted that DCA and DoD have different compliance requirements as well. Mr. Corr also asked whether IHMC is increasing the total project by the same dollar amount they are requesting to increase the grant, whether they are asking Triumph to pay for all the compliance, and if it is costing IHMC a lot more for compliance for the whole project, and Mr. Tilley replied that it is tough to say because it is built into IHMC's administrative cost.

Mrs. Weiss expressed her concern that it feels like IHMC is asking for a lot of money when they already employ someone to provide the compliance on other grants. Mr. Tilley stated that IHMC's DoD compliance is far less rigorous than Triumph's. He explained that they have contracts and agreements that they abide by which require them to live under the Federal acquisition regulations and different spot audits, so tightly track all those things, but it is a lower bar to meet.

With respect to "opening the floodgates," Ms. Henderson noted that the Board will see most of these compliance costs already embedded in more recent projects, as well as in any moving forward so that it matches their outcomes. Some of the older projects for which the Board is receiving requests are not in that same situation. Moving forward, the costs are being embedded, so the outcomes are required to go along with these compliance costs. She also reminded the Board that at their last meeting they voted to continue 100% review of all matching funds. She noted that, in this case, IHMC's Triumph dollars and their match is over \$100 million, and they are required to review that number of invoices and proof of payments and pull all the documents.

Ms. Skelton expressed the importance of the Board and staff comparing apples to apples. As an example, she noted that when FSU requested their compliance dollar amount, it was approximately \$700,000 for a \$100 million project.

Mr. Merrill made a motion to approve the Proposed Fourth Amendment to Grant Award Agreement and Mr. Corr seconded the motion; however, further discussion ensued which changed the course of the motion.

Mr. Trumbull expressed concern about the fact that added compliance cost was not considered in the initial negotiations.

Mr. Humphreys asked Ms. Henderson why this cost was not embedded in the original application. Ms. Henderson explained that the current Triumph Board is the third iteration of the Board, and during the second iteration of the Board, they started to recognize that the compliance costs for the Grantees and Triumph were more significant than anybody recognized, and that the time commitment was more significant than anybody knew at the beginning. Initially, they needed grantees to spend the dollars and submit the requests for funds so they could see what the process would look like. In that second iteration of the Board, they recognized that Triumph had hit a cap on how many compliance personnel and contractors they could hire, and they did not have the interest to work with at that time and so that Board discussed embedding these compliance costs into the grants themselves. Some of the grants had already been approved, and so some grantees are recognizing that their costs are ballooning as well and now they are coming back and asking for additional funds. I believe this grant was awarded right around the time of the discussions or right before.

Mr. Henderson recalled that there had been an amendment to the grant award not too long ago and wondered why the Board did not consider embedding the cost then. Ms. Henderson

explained that the recent amendment was needed due to a scrivener's error that staff felt was large enough that it needed to come before the Board, so it was actually a Triumph requested amendment rather than grantee requested.

Triumph Economic Advisor Dr. Rick Harper shared his thoughts as well. He stated that it is important to remember that over the past several years, the Board and Staff have had discussions about the difficulties that applicants were having in meeting Triumph compliance requests, because they are looking for documentation on every dollar, not just the Triumph award, but they also have that same standard for the match dollars. So, as Mr. Tilley says, we've got \$110 million to be expended over a period of time. If you look at an \$850,000 cumulative expenditure for their compliance expense, that is well under 1% of the dollar value of the grant, which is fairly conservative, and the intent of Triumph staff in pursuing this is to try and shift some of the compliance burden off of our accounting team and off of our other project support teams so that we're not constantly in the position of having to educate applicants about how to submit documentation of their Triumph reimbursable expenditures, and so he sees this as an effort to shift some costs on to the applicant and it is only in the last year that we have been able to escape some of the constraints of only being able to spend about \$900,000/yr to administer what will turn out to be a \$1.5 million plus match on top of that expenditure of funds. So that was some of the thinking that motivated staff to encourage applicants, including IHMC, to ensure that they fully accounted for the cost of submitting appropriate documentation to Triumph, so that the reimbursement process can be streamlined, and now it is standard procedure for Triumph to ask our applicants if they are accounting for their compliance costs. IHMC is somewhat unique among Triumph's portfolio of projects because this is the one where the Board has voted to build on success and in fact award successive dollar amounts for different activities to the same organization via amendment rather than via brand new application. For example, Pensacola State College has five different applications, and that process has evolved over time, but IHMC is still working under the initial contract that they got from us several years ago. This is not an attempt to build in the compliance cost that all our applicants must incur on both their Triumph dollars and their match dollars.

Mr. Merrill stated that he is certainly not trying to carry the water for the IHMC, but he agrees with Dr. Harper about the compliance costs and match dollars.

Mr. Humphreys asked if there was a previous amount that was initially considered for compliance costs relative to this grant, and Ms. Henderson replied no – there was no compliance originally embedded in this grant.

Mr. Henderson asked what portion/percentage of Triumph grants have compliance costs embedded. Ms. Henderson replied that they have amended a lot of them, and they will soon have a system where they are tracking each grant individually since the cost is ballooning the organization. In the future, staff will be able to have more detail for the Board on the actual cost within each organization.

Mr. Henderson asked if the compliance costs are now embedded into every grant, and Ms. Henderson replied that not all of them have embedded compliance costs. Staff encourages it, but not all grantees are requesting it because it does increase their outcomes as the costs are embedded, so their outcome must match it. Most of them have it, but not all of them.

Mr. Corr asked where Triumph is with funding IHMC's budget, since most of this money was supposed to already be spent for 2024, and Ms. Henderson replied that the total project cost, the match in the grant, is \$109.6 million. The total Triumph portion is just under \$20 million, and the total match is just under \$90 million. To date, of the \$109.6 million total, Triumph has funded

IHMC \$11 million, so they are requesting the administrative costs for the next set of years, and they still must prove money in match.

Ms. Skelton informed the Board that, if they so desired, they could introduce a motion to table the vote until the next Board meeting if they needed more information and time.

Mrs. Jennifer Davidson, CPA, stated that as of the last time Triumph funded IHMC, they had reviewed \$33.2 million of \$110 million.

Mrs. Weiss asked for clarification on what additional information the Board is seeking and what is the reason for tabling.

Mr. Humphreys said if we have around 10-20% of the grant awards that may be in this similar situation, before we get a whole bunch of additional asks, he just wants to understand exactly who has agreed to what, and why were they not previously knowledgeable about this requirement? Now it's just seeming like sort of an opportunity to ask for additional money.

Mr. Reynolds Henderson made a motion to table the Proposed Fourth Amendment to Grant Award Agreement and Mr. David Humphreys seconded the motion.

Vice-Chair Trumbull asked if anyone from the public wished to be heard on the proposal. No one came forward to speak. **The motion passed on roll call vote (5-1; Merrill-No).**

Mr. Remington then introduced the next item on the agenda - **Proposed Second Amendment to Grant Award Agreement #246 – FSU Panama City – ASCENT Cybersecurity and New Technologies Program – NO ADDITIONAL FUNDS, renames and reorganizes budget categories.** There are no additional funds requested at this time. Instead, this amendment renames and reorganizes budget categories to capture program expenses. Based on that information, staff recommends approval.

Mr. Trumbull then invited Mr. Duriel D. Crittenden, Director, ASCENT Project, to speak if he wished. Mr. Crittenden did not have comments and there were no questions from the Board.

Mr. Henderson made a motion to approve the Proposed Second Amendment to Grant Award Agreement and Mrs. Weiss seconded the motion. Vice-Chair Trumbull asked if anyone from the public wished to be heard on the proposal. No one came forward to speak. **The motion passed unanimously on roll call vote (6-0.)**

Mr. Remington then introduced the next item on the agenda - **Proposed First Amendment to Grant Award Agreement #293 – University of West Florida – Nursing and Respiratory Therapy – NO ADDITIONAL FUNDS – renames and reorganizes budget categories, date extension due to end of year agreement execution, update audit requirement language.**

This amendment renames and reorganizes budget categories to capture program expenses, provides a date extension due to late 2023 grant award, and includes the addition of the audit language requirement. Staff recommends adoption of the grant award amendment.

Vice-Chair Trumbull then invited Dr. David Bellar, Dean of the Usha Kundu, MD College of Health, to speak.

Dr. Bellar thanked the Triumph Board for the invitation to attend today's meeting and thanked Triumph staff for helping his team work on the amendment to try to improve their categories so that the communication around their invoicing and other activities are streamlined. He also

appreciates staff working with them on the extension. He expressed his team's excitement about this project, and he stated he was happy to answer any questions.

Mr. Henderson made a motion to approve the Proposed First Amendment to Grant Award Agreement and Mr. Corr seconded the motion. Vice-Chair Trumbull asked if anyone from the public wished to be heard on the proposal. No one came forward to speak. **The motion passed unanimously on roll call vote (6-0.)**

Mr. Remington then introduced the next item on the agenda - **Proposed First Amendment to Grant Award Agreement #297 – PRIDE Enterprises – Construction Trades Training Program – NO ADDITIONAL FUNDS – reduces Triumph and match funds due to delayed execution date, update audit requirement language.** This amendment reduces the grant award by \$95,625 due to duplicative expense, reduces Grantee match by \$12,750 due to certificate costs, reduces FDC Security expense by \$90,562 to adjust to actual cost, adjusts the performance metric language to match the application, and adds additional audit language. Staff recommends adoption of the grant award amendment.

Ms. Henderson noted that PRIDE's representative was impacted by Hurricane Milton and was unable to attend today. She stated that this amendment simply reduces the grant and match based on the timing of when the Triumph grant was executed. Staff just needed to shift the project scope a little bit, but the outcomes are all still on track.

Mr. Henderson made a motion to approve the Proposed First Amendment to Grant Award Agreement and Mr. Merrill seconded the motion. Vice-Chair Trumbull asked if anyone from the public wished to be heard on the proposal. No one came forward to speak. **The motion passed unanimously on roll call vote (6-0.)**

Mr. Remington then introduced the next item on the agenda - **Proposed Term Sheet and Proposed Grant Award Agreement for Proposal #299 – Pensacola State College – Diesel Mechanic Training – up to \$7,627,873** to deliver 2,002 National Institute for Automotive Service Excellence (ASE) certifications in a Diesel Maintenance Technician curriculum over a ten-year project. The total cost of each certificate would be \$3,814.00, and the Total Projected Project Cost of the program is \$13,127,873. The term sheet language includes a clawback in the event the grant award recipient is unable to deliver the 2,002 certificates. Staff recommends the Board approve the term sheet.

Dr. Debbie Douma, Dean of Grants and Federal Programs at Pensacola State College and Mr. Michael Listau, PSC Director of Applied Technology and Professional Services were in attendance on behalf of Pensacola State College and ready to answer questions, but there were no questions. Shannon Ogletree, Director of Santa Rosa EDO, was also in attendance and available to take questions since the project is co-located on the Santa Rosa Industrial Park East.

Ms. Skelton noted that the reason Pensacola State College asked for review of the term sheet and the grant award agreement at the same meeting is due to their readiness to get started on the project.

Mr. Henderson made a motion to approve the Proposed Term Sheet and Mr. Merrill seconded the motion. Vice-Chair Trumbull asked if anyone from the public wished to be heard on the proposal. No one came forward to speak. **The motion passed unanimously on roll call vote (6-0.)**

Next, Mr. Merrill made a motion to approve the Proposed Grant Award Agreement and Mr. Mr. Henderson seconded the motion. Vice-Chair Trumbull asked if anyone from the public wished to be heard on the proposal. No one came forward to speak. Dr. Douma thanked the Board and staff for their help to expedite this request. **The motion passed unanimously on roll call vote (6-0.)**

Program Administrator's Report

Ms. Cori Henderson introduced her report today as a preview of coming attractions. She noted that all Triumph Grantees, with exception of one, have their annual report to Triumph due on October 31st. Ms. Henderson also mentioned that in December, there will a long Program Administrator Report, in which she will highlight the success stories across the region and across Triumph grants, and she asked the Board to let her know if there were any in particular that they would like to hear about.

Ms. Henderson then provided a few highlights in advance. Staff has been working hard with education grantees, validating all the certs that they have attained, and in the last few years they have attained over 14,500 industry certifications funded by Triumph. Additionally, she provided an update on Triumph's Wakulla County radio investment. The emergency radios were used during the recent hurricanes, and the part of the system that is up and running was used, and the County is so appreciative. The system worked wonderfully, and they were able to communicate in parts of the county and in the building, they had never been able to communicate in before, so it had already been used and implemented successfully. Another note about Wakulla - the Wakulla School District was Triumph's first education grant, and over the years they have been so successful that the Board gave them a \$20 million grant to build a CTE facility and hire all the teachers, and they are having their grand opening ceremony for the Wakulla War Eagle Academy building very soon. Ms. Skelton sent the Board an invite, so if anybody can attend, they would encourage it.

Ms. Henderson reported that as of last week, Triumph Gulf Coast had received 342 pre-applications totaling over \$2.9 billion, and staff notes that pre-applications 342, 343, and 344 are recommended as statutorily eligible, while 337 is still under review, awaiting additional information from the pre-app applicants. As of last week, Triumph had received 143 applications totaling almost \$1.4 billion in requests.

Ms. Henderson also mentioned that staff has received a pre-application from Seacoast High School, and they have had quite a number of meetings in person on the phone. On the last call, there was great communication and a lot of excitement from their team on some curriculum ideas that Triumph's Education Advisor Dr. Frank Fuller gave them. Staff is just waiting for them to submit their application. Additionally, in terms of Walton School District - staff had a call with them yesterday to review their application. It is a little unbalanced at this time, but staff is looking forward to the next iteration.

Mr. Henderson made a motion to approve the Program Administrator's Report. The motion was seconded by Mr. Humphreys and passed without objection.

Economic Advisor's Report

Dr. Harper began his report by introducing **Recommendation on Proposal #324 – Walton County Board of County Commissioners – Public Safety Communications System – up to \$20,152,671**. Walton County is seeking up to \$20,152,671 in Triumph Gulf Coast funding to purchase a new County-wide P25 interoperable land mobile radio (LMR) system. Walton County and the Walton County Sheriff's Office will be responsible for a minimum of \$20,444,300 of the total project cost. The Triumph share of the total project cost is thus 49.6 percent. The new proposed LMR network will have high-capacity transmission, and will achieve the coverage, capacity, and interoperability requirements that support both current and continued population, business, industry, and visitor growth. Taken together, the enhanced emergency preparedness could be responsible for badly needed emergency communications capability in Walton County. The project is clearly eligible for funding under the provisions enacted by the Legislature. However, it is not possible to assign a direct job count to the project. For this reason, staff score this project as a "B."

Vice-Chair Trumbull then invited Mr. Tracey D. Vause, Chief of Emergency Services at the Office of the Sheriff, Walton County, to speak.

Mr. Vause thanked the Triumph Board and staff and expressed his great appreciation for their support of this transformational project in Walton County. He explained that Walton County is growing. Its population has doubled since 2020 and is expected to double again by 2050. Unfortunately, the public safety communication system in Walton County, which was designed in the mid 2000s, is not scalable to match that level of population growth and demand. Mr. Vause explained that it is not just one communications system – they share it with their neighbors: Okaloosa and Bay Counties. The system gives all three of them the ability to link their dispatch forces with each one of these three systems. They can tie them together in an area so that it gives them functionality and interoperability across the entire three county region. For example, if there was a disaster that took one of the three systems down, the others tied to the system would not lose functionality. Mr. Vause stated that the public's confidence in its general safety is the foundation of economic growth and diversification of industry, and the confidence in this safety system is really the cornerstone of that foundation.

Mr. Humphreys noted that Triumph has been supporting a lot of these communication projects lately, and he asked whether it would not be possible for Walton to get with Bay County or another county that had an operational system and put their forces together and piggyback on another system. Mr. Vause replied that they have reached out to Okaloosa and Bay Counties, and they are currently co-locating equipment on their towers. Bay County has a tower on the west side of the county and Okaloosa has a tower on the east side of the county that they will co-locate their equipment, and then they will hook into Walton County as well.

Ms. Skelton asked if they will also be including accessibility to state law enforcement. Mr. Vause answered affirmatively and indicated that because the large infrastructure footprint of this system, with 6 versus 21 towers, gives the state of Florida and DMS lots of opportunities to expand their network, so they can increase productivity and capacity inside Walton County and in the neighboring counties as well. This would also benefit Florida Highway Patrol, FWC, FDLE – any agency that is counted as state law enforcement.

Mr. Trumbull asked whether the other two systems would still be operational in a hurricane scenario if one was taken out. Mr. Vause replied that yes, because the dispatch cores, the master brain inside of each system is connected to the other two, and if one system fails, then

everybody on that system gets rerouted over to the other two systems, or a combination of the two existing systems. Additionally, what they understand from consultants is that, if two systems fail and one system remains, all three communities will continue to be able to respond to disaster or high utilization or whatever the issue is.

Ms. Skelton noted that she had an opportunity to speak with Sherriff Mike Adkinson about this project and he indicated that while the school district is not included in this ask, that Walton County is going to take care of covering the school district. Mr. Vause replied that what they are achieving with this system is service area reliability at 95% and a decibel loss of 30 decibels, which means that in-building coverage in Walton County, whether it's a school or a Walmart or any other big building, they will have 95% capability of picking up a radio at any time (day or night) and somebody will answer on the other end. So, because this system is so robust and is so capable and has such a high-grade frequency range, the inside of schools will be covered now, whereas before, or currently, they are not. Another thing they will have the option to do is to add a bidirectional amplifier at some point if they find in testing that there is a need for additional communication in schools. Additionally, they are putting radios in those schools, so part of what they are asking Triumph for is to purchase radios for this project that will go inside the schools.

Mr. Henderson announced that since he leases property to the Sheriff's Office, he would be abstaining from any discussion or votes on this proposal. Ms. Skelton noted that Mr. Henderson has filed the appropriate State of Florida Form 8-A recognizing this conflict and abstention.

Mr. Bryan Corr made a motion to direct staff to move to term sheet negotiations. The motion was seconded by Mr. Collier Merrill. Vice-Chair Trumbull asked if anyone from the public wished to be heard on the report. No one came forward to speak. **The motion passed unanimously on roll call vote (5-0; Henderson abstained.)**

Dr. Harper then introduced a **Recommendation on Proposal #330 - University of West Florida – Watercraft and Vessel Engineering (WAVE) – up to \$3,320,000**

UWF will commit to spend at least \$9,946,800 in expenditures above and beyond Triumph funding to support the WAVE functions across a 10-year performance period.

The University of West Florida (UWF) is requesting \$3,315,600 to start up a Center for Water and Vessel Engineering (WAVE). The WAVE program will be located primarily at the Port of Pensacola but with additional space on the UWF Pensacola campus. It will serve as a research and development center for vessel engineering and related fields by connecting UWF faculty with organizations such as the American Magic. The requested Triumph award would represent 23.8% of total project spending.

WAVE will also serve to connect UWF engineering and technology students to watercraft industries in Escambia County as well as other coastal counties in Northwest Florida. UWF has an existing project-based mechanical engineering curriculum that enables UWF students to learn practical skills. The proposed effort with American Magic will provide a new focus area, that is R&D for watercraft and vessel manufacturing. This money will support the WAVE functions across a 10-year performance period. State and national funding obtained by agencies such as the Office of Naval Research, Air Force Research Lab, National Science Foundation, and other external funding sources will expand and diversify R&D expenditures in the Triumph counties. The view of Triumph staff is that Project 330 is potentially transformational for this economic sector in the Triumph region. We calculated that the total project funding is expected to be \$12.8 dollars of increased personal income (in constant

dollars) per dollar of Triumph expenditure. For these reasons, Triumph staff rate the project as an “A.”

Vice-Chair Trumbull then invited Dr. Michael C. Reynolds, Associate Professor and Chair of Mechanical Engineering and Construction Management at University of West Florida, to speak.

Dr. Reynolds noted that the arrival of American Magic represents a great opportunity for collaboration with UWF, particularly in their engineering, but it doesn't have to be exclusively engineering, for research and development and for seeking grant funding. American Magic is the leading edge of sailing in this country and partnering with them gives UWF a tremendous advantage for seeking external funding because everyone knows that what they're doing is unique, transformational, and scientifically innovative. UWF is very excited to assist American Magic, who will need help with things like computational fluid dynamics, control systems, and material evaluation. UWF knows that American Magic's success often relies on technical innovation and technical consulting and that's what they want to do, but they want to go beyond that. They know that Pensacola is becoming a hub for innovation in the watercraft area. There's a lot of companies looking at Pensacola as a place to start and having a center and having a point at the port that's near American Magic can create a lot of collaboration, a lot of support, and a lot of technical support – that is often what prospective companies are looking for. Finally, UWF wants to involve their students in this developing industry cluster. They want to seek certifications that matter for not only the watercraft industry, but they are seeking a certification in composites, which can be applied even in the aerospace and automotive industries as well. They know their students can have a leg up in seeking jobs not only in watercraft but across Northwest Florida. Those are the main goals of the project - to partner with American Magic to get UWF students trained and to get faculty doing research alongside a global leader in watercraft.

Mr. Merrill made a motion to direct staff to move to term sheet negotiations. The motion was seconded by Mr. Henderson. Vice-Chair Trumbull asked if anyone from the public wished to be heard on the report. No one came forward to speak. **The motion passed unanimously on roll call vote (6-0.)**

Public Comment

Vice-Chair Trumbull asked if anyone from the public would like to speak about any items related to Triumph process, policies, and practices. No one came forward to speak.

Closing Remarks

Mrs. Weiss thanked Vice-Chair Trumbull for doing a fantastic job running the meeting in Chair Bear's absence. She also thanked the Board for supporting the Wakulla County Emergency Communications. They have proven it was well-needed and could not have done it without Triumph. She appreciates that.

Mr. Corr stated that they covered a lot of ground in the meeting and thanked everyone for their attendance.

Mr. Merrill thanked Mr. Trumbull for chairing the meeting and congratulated him on doing a great job. He also mentioned that he just returned from Barcelona last night, where American Magic had been competing and he said it was so neat to see “Pensacola” on the sails in so

many different places in Spain. He also said American Magic is so excited about coming back - they are loading up 72 shipping containers and bringing them back to the port to get ready for move in. They love Pensacola for a lot of reasons.

He provided the Board with a quick lesson in Spanish history in Pensacola. He explained that the Spanish sailor, Bernardo de Gálvez, took over and kicked the British out of Pensacola in 1781. About three blocks north of Palafox, there is a statue of him. Galvez performed trench warfare and everything else and beat the British at the fort at the top of the hill here in May of 1781. He noted that Pensacola does an enactment every year in celebration. What's even more unique is that in Galvez' hometown of Macharaviaya, Spain, they celebrate the 4th of July every year, and a lot of historians in the United States credit Galvez for this battle here as being a turning point in the American Revolution. Fast forward forty years, and in 1821, right outside the County Commission office door to the right is Park Plaza Ferdinand where Andrew Jackson took the flag from Spain and Florida became part of the United States. Florida was a territory for a few years, and we became a state in 1847.

Mr. Merrill also provided a quick history of the building across the street, which was once known as the tallest building in the State of Florida, built 100 years ago, and that is where Mr. Merrill's office is located. He noted that we have a great history of cultural tourism at the University of West Florida Historic Trust – the Trust starts here and goes on for about 6 blocks, and there are about 29 buildings under its control, one of them being the Pensacola Museum of Art, at which, in about three weeks, they are placing a statue of Lewis Bear for his contributions to the arts.

Mr. Henderson noted that it was a great meeting. He recognized a couple of economic development managers that were attending the meeting: Kobe Townsend, City Manager for DeFuniak Springs and Uriah Matthews, Executive Director of the Walton County Economic Development Alliance. He stated that this is a big, long area that Triumph is working on and that there are a lot of great things happening in the eight-county area. He noted they are all excited about it and it is fun to all work together. As Ben Lee said, "it's a team sport."

Mr. Humphreys congratulated Mr. Trumbull on a job well done leading the meeting, and thanked Mr. Merrill for the history lesson. He stated that it is nice to be in Pensacola and that today's discussion was good. He feels that it is good to be reminded that as Board members, they are stewards of this money, and even if these compliance issues do not seem important, he thinks everything still needs to be examined to make sure they are spending the money properly so that they know when a great proposal comes down the line, they still have money.

Mr. Trumbull thanked the Board and staff for a very healthy discussion. He absolutely agrees with Mr. Humphreys sentiments that everything needs to be reviewed. Mr. Trumbull thanked Pensacola for being a great host and great downtown. He also noted that he really enjoyed the Wakulla County radio/communications success story.

There being no further business, the meeting was adjourned at 12:26 PM.